विकास होना तो दूर की बात होगी, नियम और कानून की बिक्ट स्थिति पैदा हो जाएगी। सरकार इस पर अपनी नीति स्पष्ट करे।

Demand to Provide 'Health for All'

SHRI MOINUL HASSAN (West Bengal): Sir, 'Health for All' as a fundamental right was the declaration of the Alma Ata World Conference. To achieve this goal, it is necessary to take social and economic steps. So many assurances were given in the food policy but this remains on paper only. Sir, every seven minutes, a woman dies due to pregnancy-related complications. Every half-an-hour, 50 children under five-years of age die. All this could have been avoided, had the problem been addressed adequately and early. A poor country like India must take preventive measures which, in turn, can save public money. The first preventive measure is adequate intake of food. Inadequate food intake amongst people, particularly amongst women and children, causes various diseases forcing them to go in for medical treatment.

Sir, in such a situation, the private drug industry has got involved in a conspiracy to disrupt the price control measures of the Government in league with some officials. As a result, prices of drugs have shot up by leaps and bounds which has hit the poor severely. The private and big multinational drug companies are increasing prices of drugs and building big hospitals. Poor Government hospitals do not match their infrastructure. So, the Alma Ata Conference had adopted the goal of'Health for All' but in India under the new economic and liberalisation policy the Government has been withdrawing its intervention in the health sector, thus, leaving the helpless people to the private sector sharks. Therefore, the Government should come forward to honour its commitment made through the Alma Ata declaration and strictly control the prices of drugs.

The Budget (General), 2008-09—Contd.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Mr. Deputy Chairman, Sir, I am grateful to Dr. Murli Manohar Joshiji and ail other Members who participated in the discussion on the General Budget for 2008-09. Sir, every Budget has a context, every budget has to be viewed in terms of the state of the economy, the external situation and the goals that we set for ourselves over a five years' time period as well as over a one year's time period. There is a vast diference between the state of the economy in 2004 and the-state of the economy today. The difference is not only in the rate of growth that we have experienced over the last four years, there is a very significant and important difference in the overall financial health of the country. If you look at the growth rate between 1991-92 and 1997-98, growth averaged barely 6 per cent except for three years the growth was well below 6 per cent. Between 1998-99 and 2003-04, which can be taken as a reference period, average growth rate was 5.9 per cent. In fact, in two of those six years growth was less than 4.5 per cent but the overall average was about 5.9 per cent. In the three full years of the UPA Government and if you add the fourth year, which is coming to an end in about a fortnight from today, the growth has averaged close to 8.7 but with some luck it might be even 8.8 per cent.

Sir, this is simply not an increase of about 290 basis points. This means that the Indian economy has moved on to a higher growth plane and that responsibility on the Government

is not greater so that we sustain a much higher level of growth. When we talk about sustainable growth, in the 90s we were talking about sustainable growth of about six per cent. Now the responsibility and the challenge are greater. We have to work towards sustainable growth of over eight per cent and close to nine per cent. That is why the Eleventh Plan Document talks about an average growth rate of nine per cent reaching a terminal year growth rate often per cent. Sir, my respectful submission is, we cannot mock at growth. Growth is an imperative. Growth is important. With growth, there is a chance for inclusive growth. Without growth, I submit with respect, there is no chance for inclusive growth. With growth, there is a greater chance of equity. Without growth, I am afraid, the chance for equity is much less. The UPA Government is, therefore, proud of the fact that we have delivered high growth, growth which is average, close to 8.8 per cent and it is our intention to ensure that in the fifth year of this Government, 2008-09, we will make every effort to ensure that growth is well over eight per cent and close to nine per cent. That is the goal. That will be my effort. Sir, this growth has thrown up opportunities, which did not exist before. For example, the kind of revenue buoyancies that we have today is directly attributable to growth. There are, of course, other reasons-better tax administration, more non-discretionary and non-discriminatory methods of assessing incomes, use of technology and above all better tax compliance by the tax payers of India, Sir, I wish to take this opportunity to thank all the taxpayers of India because, I think, more and more people are coming into the tax net, more and more people are complying with the tax laws better and more and more people are paying more taxes every year. If I may add, having regard to the occupant of the Chair, I think, more and more Chartered Accountants are also advising their clients to comply with taxes better.

SHRI SANTOSH BAGRODIA (Rajasthan): Why is it so?

SHRI P. CHIDAMBARAM: In fact, my philosophy, the philosophy of this Government and the Prime Minister is, if compliance improves, tax rates must be moderate. As tax rates moderate, more people will pay more taxes and we will have more revenues. This was proved by the changes we made in 1997. This has been proved by the changes we made in 2005-06 and in 2007-08 and I am confident that the changes that we have made in the Budget for 2008-09 will also lead to better tax compliance and more tax revenues. I have great confidence in the people of India who pay taxes. I am confident that they will pay more taxes and they will comply with tax laws better. Just look at the numbers. In 1997-98, the tax to GDP ratio was 9.1 per cent. By 2003-04, it had crawled to 9.2 per cent and from 9.1 per cent it took us six years to move to 9.2 per cent. We inherited a tax to GDP ratio of 9.2 per cent.

In the current year, when the actual figures come, they will be better than the revised estimates. The Tax-GDP ratio will be 12.5 per cent. We have moved from 9.2 per cent to 12.5 per cent in a matter of four years. And, I think, it is only appropriate for me to acknolwedge the good work done by the Department of Revenue and I compliment all the officers up to the lowest rank who have done a good job in collecting revenue for the Government of India. Next year, if my Budget estimates turn out to be right, Tax-GDP ratio will touch 13 per cent. If percentages do not make an impact, let us look at absolute numbers. In 2003-04, the gross tax revenue collected by the Government of India was Rs. 2,54,348 crores. In the current year, we will collect Rs. 5,85,410 crores and next year we will collect Rs. 6,87,715 crores. Because of the higher GDP and better Tax-GDP ratio, even a half per cent increase in the Tax-GDP ratio will give Rs. 1 lakh crore extra revenue. The point I am trying to make is, growth is the fountainhead of all this. Without growth, we cannot have these revenues. Without these revenues, we cannot provide larger and larger sums of moneys for health,

education, rural development or whatever. This is why the hon. Prime Minister and, in a smaller way, I have repeatedly emphasized that growth is imperative and inclusive growth is our goal and we will make every effort to ensure that growth becomes more and more inclusive. I mentioned the financial health of the country. World over, there are well accepted parameters to measure financial health, not only is economic terms but also in terms of human development indicators. Some human development indicators have improved; some have not infant mortality rate, maternal mortality rate have not improved, but school enrolment has improved, retention in school has improved, life expectancy has improved. In many diseases there has been a significant improvement. We have still a long way to go in human development indicators. But, the economic indicators, today, are much better than what they were in 2003-04. Fiscal deficit and revenue deficit are two important indicators. In 1997-98, the fiscal deficit was 4.8 per cent. That is what the NDA Government had inherited. And, when they laid down office in 2003-04, the fiscal deficit had come down to 4.5 per cent, a reduction of 0.3 per cent in 6 years. Likewise, the revenue deficit which was 3.0 per cent should have been reduced, it was not. When they laid down office, they left a revenue deficit of 3.6 per cent. So, in terms of the state of economy measures by fiscal deficit and revenue deficit is concerned, the record of the previous Government is entirely mixed, if not unsatisfactory. They left a fiscal deficit of 4.5 per cent and a revenue deficit of 3.6 per cent. This year, we have reduced the fiscal deficit to 3.1 per cent and the revenue deficit to 1.4 per cent. If my Budget figures turn out to be right next year, we would have reduced the fiscal deficit to 2.5 per cent and revenue deficit to 1 per cent. Clearly, our management of the economy has led to improved fiscal health of the country. This House and other House of Parliament passed the FRBM Act. 1 know there are some views questioning the validity of the FRBM Act.

As far as I am concerned, when I took office, I inherited the FRBM Act. Personalty also, I believe that fiscal responsibility and Budget management are extremely important. I believe that the targets set by the FRBM Act are wholesome targets. 1 believe that Parliament was right in passing that Act. The Act was notified by the UPA Government. 1 did so with considerable trepidation, but I knew that I was doing the right thing. Because we have notified the FRBM Act, we have impressed upon all the Departments and Ministries of the Government of India as well as the State Governments that they have to observe fiscal prudence and fiscal rectitude. And, may I say that, thanks to the FRBM Act, in an effort to adhere to fiscal discipline—although there was a pause in one year and even for next year there will be a pause in respect of revenue deficit—the overall numbers that I have read to you will show that the fiscal health of this country has improved tremendously. Of course, a question may be raised 'what about off-Budget terms'. I anticipate that question, and I will answer that. Even if you take into account the off-Budget items, or, what we call, below the line items, in 1999-2000, the fiscal deficit would have been 5.58 per cent; in 2003-04 it would have been 5.15 per cent; and, in 2007-08, it would still be 3.66 per cent. So, even if you take the off-Budget items, the record of this Government is we would have reduced it from 5.15 per cent to 3,66 per cent. As I have said in my Budget Speech, it is not my intention to keep these items off the Budget. Prudent fiscal management will require that these items of expenditure or these liabilities are brought on to the balance sheet of the Government of India. As I have said, I intend to refer this issue to the Finance Commission, headed by Dr. Vijay Kelkar and request him to recommend to the Government of India a new fiscal responsibility path by which, after taking into account these off-Budget liabilities, we will adhere to our goal of wiping out revenue deficit and keeping the fiscal deficit below 3 per cent of the GDP.

Sir, I was somewhat disappointed that a number of commentators did not grasp the significance of keeping the fiscal deficit, next year, below 3 percent. I am allowed 3 per cent, but I have deliberately kept it at 2.5 per cent. 1 wish to take a minute to explain this. We live in an uncertain world. We live in a world where there is considerable financial turbulence. Commodity prices and food prices are rising everyday. And, presently, I will show what the figures are. We have some liabilities that have not yet been quantified, for example, the Sixth Central Pay Commission. We have taken on, in 2008-09, a very large liability in terms of funding the loan waiver for farmers. Having regard to all this, we thought it was prudent that we peg the fiscal deficit at 2.5 per cent, leaving us some headroom, just in case it may be necessary to borrow that amount. Fiscal deficit is equal to borrowing. By leaving a headroom of 0.5 per cent of the GDP, we have allowed ourselves some flexibility in meeting, both, anticipated and unanticipated liabilities so that at the end of the year we still remain well within the FRBM target at 3 per cent. It is this half-a-per-cent that has encouraged us to fund the loan waiver scheme entirely through the Budget in a matter of, of course, three agricultural years or four Budgets. We have begun with the year zero. We will maks a provision in the first supplementary, and since there will be a Vote on Account in February 2009, we will make a provision in the Vote on Account too so that, as I said in the other House, nearly, 2/3 of the liability will be provided this year and by February 2009.

Sir, I wish to take a few minutes to explain the pressures on the Government, thanks to rise in international commodity prices and food prices. I know this is a concern for all sections of the House. It concerns the Government too. Every Government has waged a daily struggle against inflation. During this period of four years, there have been periods of inflation of over 6 per cent. We brought it down to 3 per cent. Inflation, again, is one the rise. And, I think, we need to spend a few minutes trying to understand what is happening worldwide, Sir, as far as prices are concerned, there is a relentless increase in commodity prices and food prices. Today the situation is very, very different from what it was in 2004. In 2004 and before, the Government of the day enjoyed, it I may say, enormous good fortune in terms of benign world prices. Take for example, crude, Sir. In fact, the period before 2004 was even more benign, but I will take 2004 as the reference point. In 2004, crude Dubai was $ 33.5 a barrel. Crude Spot was $ 37.7 a barrel. In April 2007, that is, about 12 months ago, crude Dubai was $ 63.8 a barrel. In February 2008, it was $ 90 a barrel. This morning, it is $ 111 a barrel. From $ 37 a barrel to $ 111 a barrel is not the same pitch on which we bat. It is a very different pitch. It is a very different pitch on which we bat; to borrow a cricket metaphor. The rules of the game have completely changed. I wish we had crude at $ 37 a barrel, in which event, we could have done much more. But, between $ 37 a barrel and $ 111 a barrel, the whole game has changed. The rules of the game have changed, which is why, there is tremendous pressure upon the Government today while we battle inflation.

Let me give you some more figure. Take of example, palm oil. We import palm oil because we are short of edible oils. There is a demand-supply mismatch in India. It has been so far many years. While the Ministry of Agriculture; the Government of India and the State Governments take a number of steps to improve the production of edible oilseeds, there is still a mismatch. Look at the palm oil prices. In 2004, it was $ 471 a metric tonne. In April 2007, it was $ 710 a metric tonne. In February 2007, it was $ 1,177 a metric tonne. And, this week it is $ 1,277 a metric ton. So, when we import palm oil, we are, actually, importing inflation. Even prices of oil produced within the country rises sympathetically, which is why there is a rise in the price of mustard oil and a rise in coconut oil prices. While from the farmers' point of view that is good, from the consumers' point of view that is not accepted. Sir, look at

wheat. In 2004,,the US wheat CBOT price was about $ 157 a metric ton; in April, 2007, it was $ 198 a metric ton; in February 2007, it was $ 425 a metric ton: and, today, it is well over $ 500 a metric ton. The same thing applies to metals and minerals. I mentioned this in my Budget speech. Aluminium, copper, iron-ore, lead, nick, steel, all prices have increased. In fact, when you travel abroad, they point a finger to us and say it is because China and India are consuming more that the prices are rising. It is partly true. Our consumption has risen. Demand has risen in this country. The two economies which are growing at the fastest rate consume a lot of those items; therefore, prices are rising. But it is also a fact ...*(Interruptions)*...

श्री शरद यादव (बिहार): वित्त मंत्री जी, क्या आप एक मिनट के लिए yield करेंगे?

श्री उपसभापति: आप उनको बोलने दीजिए, उनको Complete करने दीजिए।

श्री शरद यादव: क्या आप एक मिनट के लिए yield करेंगे? मै कुछ नही कर रहा हूं मेरा आपके माध्यम से निवेदन है कि हिंदुस्तान में पिछले वर्ष खाद्यान्न के मामले में हम पूरी तरह से आत्मनिर्भर थे। मै जानता हूं कि आपने जो बात कही, वह पूरी तरह से ठीक है कि अंतर्राष्ट्रीय स्तर पर गेहूं और तेल के बारे में आपके हाथ में कुछ नही है, लेकिन यह जो food security का मामला settled था, वह हर सरकार ने ठीक किया, लेकिन पिछली बार जो procurement बिगड़ा है या उससे पहले बिगड़ा है, वह इस वजह से है कि पहले procurement FCI के द्वारा होता था, जब हमने private लोगों को allow कर दिया, Asian Wheat Board को कर दिया, Cargil को कर दिया ITC को कर दिया, इसके नतीजे में हमारे पास जो अनाज था, हमने अपने तरीके को बदल लिया, इसलिए यह गड़बड़ हुई, इस पर आपको जरूर ध्यान देना चाहिए। मै इतना ही कहना चाहता हूं कि हमारे जो पुराना procurement का तरीका था, चलते आज यह संकट हम पर नही आता। इस पर आपकी क्या राय है, मै इतना ही आपसे जानना चाहता हूं।

SHRI P. CHIDAMBARAM: Thank you, Sharadji, I will answer it. The point I am making, Sir, is that the commodity prices are on the rise, because at least until the middle of last year the world output was high, demand was high. Demand was largely fuelled by China and India. When we import many of these minerals as we are importing, we are importing at higher prices, and domestic prices also rise to match the landed prices of these commodities. So, when we talk about battling inflation, the struggle has become even more intense today and, therefore, we have to be extremely vigilant in ensuring that inflation is contained to the tolerable limits even while it does not affect growth. Sharadji raised a question about procurement. When I share his view, I believe that no country as large as India can depend on importing foodgrains. In fact, there is no place in the world which produces the foodgrains that are required by India. We cannot get pulses from anywhere. We can only get modest quantities of palm oil. The kind of wheat which our people eat is not available in too many countries, except Ausralia and Ukraine, and most countries have banned export of wheat today. Therefore, a large country like India must be self-sufficient in foodgrains. A small country, an island nation, can afford to import, we cannot; which is why we have announced the National Food Security Mission and the Rashtriya Krishi Vikas Yojana—Rs. 25,000 crores for one programme and Rs. 4,882 crores for another programme. And, I hope it will yield results. The goal is to increase rice production by 10 million tonnes, wheat production by 8 million tonnes and pulses production by 2 million tonnes.

Sharadji's point is, why have you allowed the private sector to procure? Sir, only a few minutes ago, we had an hon. Member here complaining, 'are you preventing the private sector from procuring?' You head him. That is the demand of the Punjab farmer. I am producing

food and if the private procurer, private company, pays me a little more, is the Government clandestinely or secretly preventing it from procuring? Sir, we have to give fair prices to our farmers. In fact, when the Prime Minister said that he is picking up the unpaid distress bill of the previous Government, I know there was an uproar. ...*(Interruptions)*... There was an uproar. Of course, you can have another uproar. I don't mind that. The point is, it was not far from the truth, and I will tell you why. ...*(Interruptions)*...

SHRI YASHWANT SINHA(Jharkhand): It was entirely untrue, Sir. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: You have made your points. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: You can have your opinion. You have said whatever you wanted to say. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I am not yielding. ...*(Interruptions)*... I am not yielding ... *(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Sinha, he is not yielding ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, I am not yielding. ...*(Interruptions)*... If I am not yielding, how can you ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: If he is not yielding, it will not go on record. ... *(Interruptions)*...

SHRI YASHWANT SINHA:*

SHRI P. CHIDAMBARAM: You can protest. You have a right to protest. I have a right to make my points. ...*(Interruptions)*... I have a right to. ...*(Interruptions)*...

SHRI YASHWANT SINHA.*

MR. DEPUTY CHAIRMAN: No, no, that is your opinion. ...*(Interruptions)*... That is in your opinion. ...*(Interruptions)*... That is a per your opinion ..... *(Interruptions)*...

SHRI P. CHIDAMBARAM: Let me speak. ...*(Interruptions)*... Sir, I have a right to make my points. He has a right to protest if the Chair allows him. ...*(Interruptions)*... 1 am sorry, Sir. I am not yielding. ...*(Interruptions)*... I am not yielding, and the hon. Member must respect parliamentary tradition. I am not yielding in his favour.

So, Sir, when the Prime Minister made that statement, he was not exaggerating anything and I will tell you why, in a moment. We have to pay remunerative prices to our farmers. But when we pay remunerative prices to our farmers, it will reflect in consumer prices. We can, of course, subsidies foodgrains as we do. But subsidies must be within affordable limits and must be targeted properly so that there is no leakage. Today, the finding is—and this has nothing to do with this Government or that Government—that there is considerable leakage in the manner we deliver subsidised food. That is a separate issue which will be addressed by the Minister of Food on a proper occasion. The point 1 am trying to make is, when we grant higher procurement prices to foodgrains, it will reflect in consumer prices even if we keep the PDS price at the same level. I hope I am making the distinction. You can only keep the PDS price constant by subsidising it. but the bulk of the food which the people buy is outside the PDS. And, when you give a higher procurement prices for Government procurement, the wholesale trader, the others who procure also have to match that price if not give a higher prices, and it will reflect in price across the country, even outside the PDS.

*Not recorded

Now, let us see what prices we gave. The previous Government came to office in 1998-99, and for wheat, they gave a price of 550 rupees per quintal. In 2003-04, when they laid down office, they gave 630 rupees a quintal. So, between 1998-99 when they first gave 550 rupees and in 2003-04 when they laid down office they gave 630 rupees, the increase was 80 rupees. The UPA Government inherited a price of 630 rupees, and, for *rabi,* for 2008, which we have already announced, we are going to give 1000 rupees a quintal, an increase of 370 rupees. ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU (Karnataka): Sir, what about paddy?

SHRI P. CHIDAMBARAM: I am coming to that. I am coming to that in a moment. So, we have given better prices to farmers. The clamour is, even this price is not adequate for farmers. As against 80 rupees, we have given 370 rupees. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no, please. ...*(Interruptions)*... No, no, please .... *(Interruptions)*... No, no, this is not correct. ...*(Interruptions)*...

श्री ललित किशोर चतुर्वेदी (राजस्थान): महोदय महंगाई का क्या हो रहा है?

SHRI P. CHIDAMBARAM: I am answering that. *(Interruptions)*... Please pay attention to what I am saying. I am telling you why...*(Interruptions)*... As far as paddy is concerned, in 1[1]- \'o-99, the Government gave the common variety of paddy a price of Rs. 440 per quintal In 2003-04, they gave it Rs. 550 a quintal, which is an increase of Rs. 110 in six years.

SHRI YASHWANT SINHA: Sir, these comparisons are not relevant.

MR. DEPUTY CHAIRMAN: Mr. Yashwant Sinha ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Whether it is relvant or not is for me to decide. ...*(Interruptions)*...

SHRI YASHWANT SINHA: *

श्री उपसभापतिः यह क्या बात है? ...(व्यवधान)... Please sit down …. (Interruptions)… Please sit down Mr. Thakur (Interruptions) देखिए, आप भी फाइनेंस मिनिस्टर थे। आप भी स्टेटमेंट देते थे ... (व्यवधान)... सुनिए ... (व्यवधान)... आप यह क्या बात कर रहे है? ...(व्यवधान)...

SHRI P. CHIDAMBARAM: Whether it is relevant or not is not for the Opposition to decide. ...*(Interrutpions)*...

SHRI C. RAMACHANDRAIAH (Andhra Pradesh):*

MR. DEPUTY CHAIRMAN: *Why..(Interruptions)*... Mr. Ramachandraeah, the Finance Minister cannot go on replying the way you want...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH:*

SHRI S.S. AHLUWALIA: (Jharkhand)*

SHRI YASHWANT SINHA:*

MR. DEPUTY CHAIRMAN: You may raise questions on that separately. Please allow the Finance Minister to say whatever he wants to say. *(Interruptions)*

SHRI YASHWANT SINHA:*

***Not recorded**

SHRI P. CHIDAMBARAM: Sir, it is an unusual logic that the Opposition would decide.. .*(Interruptions)*...

SHRI YASHWANT SINHA:*

MR. DEPUTY CHAIRMAN: He may say whatever he wants to say. You cannot prevent him. You cannot prevent ...*(Interruptions)*... You cannot prevent. You cannot prevent a Minister ...*(Interruptions)*.. No, no, please don't say that you would prevent. ...(व्यवधान)... देखिए, आप बैठिए। ...(व्यवधान)... यह ज्यादती है ...यह ज्यादती है। ...(व्यवधान)... Please sit down. Mr. Pany, please sit down. यह ठीक नही है। ...(व्यवधान)...

श्री यशवंत सिन्हाः यह बिल्कुल ठीक है।

श्री उपसभापतिः हां, आपकी नजर में ठीक हो सकता है।

SHRI P. CHIDAMBARAM: Sir, it is an unusual argument that the Oppositicn will decide whether what I say is relevant or not. I am saying. ..*(Interruptions)*... I will say .. .*(Interruptions)*...

SHRI YASHWANT S1NHA:*

MR. DEPUTY CHAIRMAN: You have already made the point. You have taken time. You have participated in the debate. Whatever you wanted to say has been said. Now, please allow him to speak.

SHRI P. CHIDAMBARAM: Sir, I heard Dr. Murli Manohar Joshi with great respect and in complete silence. I was not here to listen to Mr. Arun Shourie, but I have read the text of his speech, and I think the Opposition must have the patience to allow me to reply. I am giving numbers. If my numbers are worng, the hon. Member knows very well what he should do with it. *(Interruptions)*

SHRI C. RAMACHANDRAIAH:*

MR. DEPUTY CHAIRMAN: You must spoken about all that in your turn. You should have spoken...*(Interruptions)*... Mr. Ramachandraiah, the Finance Minister would not say what you want him to say.

SHRI P. CHIDAMBARAM: Sir, I am not yielding.

SHRI YASHWANT SINHA:*

SHRI. P. CHIDAMBARAM: Sir I am not yielding . Why is he speaking? Sir, I want to know, when I am not yielding why is he speaking? Is that going on record? Why is he saying?

MR. DEPUTY CHAIRMAN: No, it is not going on record. When you have not yielded, it will not go on record.

SHKI P. CHIDAMBARAM: Sir, our Government has increased the price of rice from Rs. 550 in 2007-08 to Rs. 740. Now, the clamour is that we must raise it to Rs. 1000. The CACP has recommended a price of Rs. 1000. The Government has not yet taken a decision. Government will take a decision in the usual manner after considering the CACP report. The point I am making is that, it you do not pay remunerative prices to farmers, they will indeed be distressed. And that is the distress to which the hon. Prime Minister referred and I think the Prime Minister was not exaggerating when he referred to the distress of the farmers.

*Not recorded

SHRI M. VENKAIAH NAIDU: Sir, what about the price of paddy?

MR. DEPUTY CHAIRMAN: He has talked about the paddy price.

SHRI P. CHIDAMBARAM: I have said it Mr. Venkaiah Naidu.

SHRI M. VENKAIAH NAIDU: Sir, let me just say a few words here. I am not criticising him. The entire country is looking towards the hon. Finance Minister for this issue only, about paddy.

MR. DEPUTY CHAIRMAN: He has talked about the CACP.

SHRI P. CHIDAMBARAM: Government will decide on it.

SHRI M. VENKAIAH NAIDU: What are you going to do?

SHRI P. CHIDAMBARAM: I said, the Government will decide. Government means Government! You know what ..*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: Sir, it is a very important issue. ..*(Interruptions)*..

SHRI P. CHIDAMBARAM: Government will decide that. Sir, the point 1 am making is very important. It is a very serious matter. We are now facing tremendous pressure on commodity and food prices. But we will make every effort to contain prices, especially for the weaker sections . There will be difficulty. We may have to provide more subsidies. We will provide more subsidies for food. But the intention is to keep the PDS well stocked, well-supplied, so that at least the vulnerable sections are not exposed to these relentless rice in food prices, and so that industry is not affected by the relentless rice in commodity prices. It is having regard to the relentless rise in commodity prices especially metals and minerals, that we have cut excise duties, we have cut some customs duties and we have tried to do some other things which will keep out industries competitive. But I wish to impress upon this hon. House that we are in a period of time when there is tremendous pressure, thanks to rising prices, both of commodities and food! Therefore, while Government will take every step within its power, both monetary and fiscal, in order to contain inflation, I ask for the House' understanding in this task of containing inflation.

Sir, a number of initiatives have been taken in this Budget. It is not necessary for me to recall all of them now. But it takes me about five minutes to point out that education finds the pride of place in this Budget. Taken together, *Sarva Shiksha Abhiyan, Jawahar Navodaya Viayalaya, Kasturba Gandhi Balika Vidyalaya,* National Means-cum-Merit Scholarship, Mid-day Meal Scheme and the numerous Institutes of Higher Education, you will find that a large amount of money has been outlayed for education.

Likewise, in health, there is an increase of 15 per cent in the health sector. Today, we have the money to provide for the health sector and we are providing. The NRHM is being rolled out throughout the country. We are providing money for fighting AIDS, for fighting polio and the *Rashtriya Swasthya Bima Yojana* will be launched in Delhi and Rajasthan on 1st April. We made no discrimination between States. Delhi has a Congress Government and

1.00 P.M.

Rajasthan has a BJP Government. In fact, my appeal is that all State Governments should join *Rashtriya Swasthya Bima Yojana* in 2008-09 so that this can be rolled out throughout the country.

Sir, for women and child development, I have responded to appeals that the salaries or compensation paid to *Anganwadi* workers and *Anganwadi* helper should be increased. We have not made a great increase, but increased-it by 50 per cent. But still *Anganwadi* workers will get Rs. 1500 and *Anganwadi* helpers will get Rs. 750. The sums are still modest. But, at least, I am happy that I have been able to increased it by 50 per cent.

Sir, for the elderly, we have got both fiscal and non-fiscal concessions. We have a National Programme for Elderly for Rs. 400 crore. We have given them the benefit of insurance to be taken by children. I have clarified the reverse mortgage scheme and I have increased the exemption limit for the elderly. I have received a number of letters from associations of elderly persons thanking the Government for what has been done. We are concerned about the elderly. A larger and larger number of people are becoming senior citizens now and we will continue to look at the problems of elderly.

Sir, the National Rural Guarantee Scheme is one of the most important schemes of this Government. It is beset with some problems in some parts of India. But pointing to the problems, we cannot abandon the scheme. In fact, Mr. Arun Shourie seems to have used most of the time allotted to him to launch a scathing attack on anything that is being done by this Government for the poor. I am not surprised. In fact, I would have been surprised if he had supported the pro-poor programmes. Mr. Shourie, of course, is a very articulate and effective campaigner, and if he will not take it in the wrong sense, a very effective and articulate pamphleteer who writes essays and articles and campaigns for what he thinks is right, which is usually against the interest of the poor.

SHRI YASHWANT SINHA: It is an inappropriate word. ...*{Interruptions)*...

SHRI P. CHIDAMBARAM: I said, "Don't take it in the wrong sense." ...*{Interruptions)*... He is not objecting. Why are you objecting. ...*(Interruptions)*..

SHRI ARUN JAITLEY (Gujarat): He has been modest. ...*(Interruptions)*... You have to erase that word 'pamphleteer'. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: It is not an unparliamentary word. ...*(Interruptions)*.. He is not objecting. Why are you objecting. ...*(Interruptions)*...

SHRI ARUN JAITLEY: This kind of a phrase should not be allowed. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I will look into it. ...*(Interruptions)*... Mr. Jaitley, I will look into it. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: He is not objecting. ...*(Interruptions)*... Why are you objecting. ... *{Interruptions)*...

SHRI ARUN JAITLEY: He has been modest. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: If it is not unparliamentary, then ...*(Interruptions)*... I will look into it. ...*(Interruptions)*...

श्री उपसभापति: मै देखकर निकाल दूंगा न ...(व्यवधान)...

SHRI P. CHIDAMBARAM: Sir, if it is unparliamentary, pelase expunge it.

SHRI YASHWANT SINHA: It is indecent.

MR. DEPUTY CHAIRMAN: If it is unparliamentary, automatically, it will be expunged. If it is obejctionable, you can ...*(Interruptions)*...

SHRI S.S. AHLUWALIA: Sir, it is not a question of parliamentary or unparliamentary, it is the dignity of the House, and a Minister like Shri P. Chidambaram using such language for his colleagues ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I will look into it You have made a request. ...*(Interruptions)*...

SHRI YASHWANT SINHA: Sir, this remark has to be withdrawn.

MR. DEPUTY CHAIRMAN: I am looking into it. Right now, I will let you know.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): Sir, Shri Arun Shourie used the word 'fraudulent propaganda'. Was that okay?

SHRI P. CHIDAMBARAM: Sir, Shri Arun Shourie is a good parliamentarian, who understands what I am saying, and he is keeping quiet. Why is Mr. Yashwant Sinha | objecting?

SHRI S.S. AHLUWALIA: You are a lawyer...(*Interruptions).* .

SHRI P. CHIDAMBARAM: So is Mr. Arun *Jaitley...(Interruptions).* Sir, you must allow some latitude for thrust and parry in a debate. Mr. Arun Shourie has had a full say. I am sorry that I missed his speech, as I was held up in the other House. But, I enjoyed reading it. Of course, I disagree with it. That is a different matter. And, I am sure, you take it in the right spirit. Please, ask you colleagues to calm down.

SHRI ARUN SHOURIE (Uttar Pradesh): Actually, you good distinguished colleague and my very good friend, Shri Antulay, knows my pamphleteering and what happened after that.

SHRI P. CHIDAMBARAM: I also know the campaign you carried against an industrial house and after ten years, you said that you were completely wrong about that campaign.

SHRI ARUN SHOURIE: I also remember as a part *of my...(Interruptions)...* who championed this business of customer confidentiality.

MR. DEPUTY CHAIRMAN: He is saying something else.

SHRI P. CHIDAMBARAM: I also know, Sir...*(Interruptions).* Mr. Shourie and I were together at a fiinctioi. where we were releasing a book. And, when Mr. Shourie tried to disinvest—that was foiled by a judgement of Supreme Court—and he tried to break up Indian Oil Company into its parts and tried to privatise one part. I wrote an essay. I am also a pamphleteer in that sense. I wrote an essay saying, "Arun will find himself in an oil slick; it is best, he comes out of it." I am glad he^accepted my advice and came out of that oil slick. We were on the same itage...*(Interruptions).* So, we were on the same platform. I said this in his presence. We understand each other. We disagree. We are not enemies of each other. We are friends, but we disagree. The point is Mr. Shourie should take his campaign against NREGS and the loan waiver and all other pro-poor schemes of this Government to the people of India. He must take this campaign to constituencies and I would urge him to contest an election on this platform saying NREGS is bad; loan waiver is *bad...(interruptions).* I will applaud him if he stand up and is counted. Sir, let me say very clearly that this Government has consciously decided that NREGS is absolutely necessary to provide a safety net for the people of this country. We recognise that there are problems. There are problems in Orissa. There are problems in Andhra, perhaps. There are problems elsewhere. But because of problems, shall we throwout the baby alongwith the bath water? The problems must be fixed rather than trying to abandon a programme. In my constituency, I can say with

pride, initially, in the first month, there was misunderstanding. There was not enough communication and enough monitoring. Today, the programme works nearly perfectly, and every woman and man, who works on that hard soil in the blazing sun for Rs. 80 is not doing it for the love of work; they are doing it because they need Rs. 80 to keep the pot boiling. Therefore, 1 say, the first charge on the resources of this Government is the flagship programmes. Every extra rupee that I earn through tax revenues will go to the flagship programmes and we reject this criticism that NREGS and loan waiver are fraudulent propaganda of popular schemes. We reject this criticism and I ask Mr. Shourie to take his campaign, if he believes in it, to the people of India, stand in a constituency in 2009 election and win on that platform if it is a fraudulent propaganda.

Sir, for the unorganised sector, there is a Bill, which is being discussed in the Standing Committee. There are different views. Whatever shape the Bill may take, we have, in anticipation of that Bill, introduced three schemes, (i) the Aam Admi Bima Yojana; (ii) the Rashtriya Swasthya Bima Yojana; and (iii) the Indira Gandhi National Old Age Pension Scheme, which has increased the pension from Rs. 75 to Rs. 200 and has removed the clause of dependency. Other schemes will be added to it. Once the Bill is passed by this House, we will try to add more schemes but we are as concerned about the unorganised sector workers as we are about other vulnerable sections of the people.

I do not wish to list all the programmes. I was deeply anguished when some hon. Members described this Budget as a communal Budget. 1 do not understand what a communal Budget is. I think, Sir, prejudice is really deep-seated in certain hearts and certain minds. When we provide scholarships, we provide scholarships to children, and, when a child receives a scholarship, I do not see a Hindu child, a Muslim child, a Christian child or a Sikh child; we see a child. But when we find that some children are more vulnerable, some children have lesser opportunities, some children have lesser access, why should we not lean in favour of those children? Do we not all agree that there is a gender gap, and, therefore, we lean in favour of the girl child? Do we not acknowledge that as there is a gender inequality, therefore, we lean in favour of programmes that are directed towards women? So, when you find that there is a caste gap between the so-called forward communities and OBCs, programmes are designed leaning in favour of OBC. When we find that there is a large caste gap through centuries of discrimination, do we not design programmes that lean in favour of Scheduled Castes and Scheduled Tribes? So, when we find that there is a gap between the non-minority communities, that is, the majority community, and, the minority communities in matters of education, access to scholarship, I ask myself, what is wrong if the Government leans in favour of the minority communities and designs programmes that are targeted for the minority communities. I think, this perfectly right. This is what any civilized nation should do, and, this is precisely what this Government is doing. If you want to call it a communal Budget, please do so but really you are exposing the prejudices that are deep seated in your hearts and minds. We reject these prejudices; we do not share these prejudices.

Sir, the Irrigation and Water Resources Finance Corporation is an important instrument. We will garner large amounts of money. We want to pour a large amount of money into irrigation. I have outlayed Rs. 20,000/- crores for the AIBP but that is not sufficient. We will operationalise this corporation very soon.

One of the more important steps that we have taken is the National Skill Development Mission. Sir, skill development initiatives are now spread over various Ministries. Those interventions are sporadic, and largely ineffective. In fact, I read somewhere that India

teaches only thirty trades or skills to our children in polytechnics, and, China teaches 300 trades or skills. So, 270 trades and skills are not even taught in India, even by the best ITIs. Therefore, this National Skill Development Mission will be set up as a non-profit corporation. We will involve the public sector, the private sector, academics and the Government in setting up this non-profit corporation. My goal is to set up this corporation before 31st March, fund it quickly, ramp it up so that it establishes institutes through out the country before the year is out, and, scale it up to cover the whole country in a matter of four to five years. This Is one of the major initiatives that this Government has taken and I am happy that there is widespread support for this initiative.

Sir, I do not wish to talk about part 'B' of the Budget. There will be another occasion when we will discuss it—the Finance Bill. Of course, a number of suggestions will be made, and, I will address those suggestions.

The centrepiece of this Budget has turned out to be the loan waiver, I have made a very detailed statement in the other House. That statement has been carried in all the newspapers, in fact, some carried it virtually verbatim. We will fund it entirely through the Budget. I am totally confident that the budgetary revenues that we will have in 2008-09 and in succeeding years, the non-tax revenues, the non-debt capital revenues, and, failing all this, the capacity to borrow will take care of the requirements of the loan waiver scheme. Look at it in perspective. Rs. 60,000 crore represent approximately one per cent of the GDP. The GDP today is about Rs. 53,00,000 crore. Its one per cent is Rs. 53,000 crore. Rs. 60,000 crore is a little more than one per cent of the GDP. A nation which has a GDP of Rs. 53,00,000 crore can easily afford Rs. 60,000 crore. We are going to provide this over a period of three agricultural years. The bulk of it will be done during the tenure of this Government. For example, I have started by providing Rs. 10,000 crore in year zero, this year. Rs. 15,000 crore will be provided in July when the first supplementary is passed. Then in the vote-on-account, in February 2009, we will provide another Rs. 15,000 crore. So, Rs. 40,000 crore out of Rs. 60,000 crore, two-thirds of the amount, will be provided by this Government in this term. There is no fear at all that the remaining Rs. 20,000 crore cannot be provided in two more Budgets. They represent a very small proportion of the total expenditure. It is a very small proportion of the total GDP. In fact, at the highest point, it will be 0.25 per cent of the GDP. It will decline to about .1 per cent of the GDP. This is eminently fundable and easily fundable provided we continue to have this growth and we continue to have the buoyancy in revenues.

Sir, I ask all sections of the House to support the loan waiver. Many valuable suggestions have been made. These suggestions will be taken into account when the final scheme is prepared. I hope that the final scheme will be around Rs. 60,000 crore. You have to allow for some margin of error. We are collecting the data. When the data comes, I am sure,it will be around that number. But we will take into account various suggestions made that there are some peculiar features in some States. There are some unique problems of certain kinds of farmers. We will keep all that in mind. But, ultimately, Sir, the House will agree with me that the scheme must be: One, affordable. Two, automatic and non-discretionary. It should not depend upon the discretion of any officer. And, three, it must be simple and easy to implement at the branch level of a cooperative bank branch or a rural bank's branch. That is the goal. Keeping these parameters in mind, we will design, we will finalise the scheme taking into account, to the extent possible, the valuable suggestions made by a number of hon. Members.

Sir, Dr. Joshi said—he is not here—that there must be a balance between inflation, growth and investment. I entirely agree with him. Investment today is at an all-time high

rate. It is well over 35 per cent. In fact, the EAC places it close to 36 per cent of the GDP. We must ensure that investment takes place. Public investment, public sector investment, private investment and foreign investment, all kinds of investment must be encouraged subject, of course, to rules and regulation. We must continue to raise the investment-GDP ratio. The goal was only 36 per cent. We are already at 36 per cent. We might try to raise it to about 38-39 per cent and we will do everything possible to keep the investment boom going.

The balance between inflation and growth is a little more tricky. As I said, there are a number of reasons why there is pressure on prices. We will take fiscal steps and we will urge the Reserve Bank of India to take monetary steps, for the Reserve Bank of India's dharma is to maintain price stability. Among other instruments it has at its disposal is the interest rate. The policy on interest rate is an important instrument. The Reserve Bank, therefore, must necessarily focus on price stability containing inflation. But I am confident that it will keep in mind the need to stimulate growth and ensure that growth remains high and sustainable.

There has been some slow-down in the index of industrial production. But I am confident that by the end of the year, the industrial sector will still grow at a very satisfactory rate. We have taken a number of steps what the textbooks say should be taken. We have put more money in taxpayers' pockets. We have left more money in taxpayers' pockets. We have taken fiscal steps by cutting customs duties and excise duties and we have increased public expenditure. This is what the text book says, should be done to stimulate growth. More money in consumers' pockets, fiscal measures to reduce the cost, at least, the tax cost to the producers, and more public expenditure to stimulate demand. 1 am confident that this will work and the economy will continue to grow at a high rate in 2008-09

Sir, there are some questions about Part (B) of the speech which I will reply tow when we discuss the Finance Bill. By and large, this Budget addresses the concern of every section of the people. We can do more. I quoted Shrimati Indira Gandhi. We can do more. It is only when we do more, the capacity to do more also increases. If revenues are buoyant, we will do more during the year 2008-09.1 have already said that we will find another Rs. 10,000 crores as Plan (B), and those Ministries, Departments and those State Governments, which do well, will be provided more funds.

Before I conclude, I wish to point out what advantages the states have received. I won't go back to 4 years ago or 8 years ago. In 2007-08, according to the Budget, States were to receive as share of taxes, non-plan grants and Central assistance, a total sum of Rs. 2,48,000 crores. Actually, at the end of the year, they will receive, thanks to higher tax revenues, Rs. 2,61,000 crores, and next year, they will receive Rs. 3,05,000 crores. The States have the money. That is way my appeal to the States is, you must come forward to take greater responsibility in implementing these programmes. The Centre is notshirking its responsibility. The States have the money. The States must take greater responsibility in implementing the programmes, especially programmes that benefit the poor.The States must come forward to take a larger share in halth, educaiton and rural development. I am confident the States will rise to the occasion. Sir, if the economy continues to grow, as I believe it will, if our revenues grow as I believe it will, given the flag ship programmes that are in place, and the new programmes that have been announced which are clearly targeted towards the vulnerable and neglected sections of the people, including women, the Scheduled Castes, the minorities and the farmers, I am confident that the year 2008-09 will also return a year of high growth, and I ask the whole House to support this Budget.

MR. DEPUTY CHAIRMAN: Now, ...*(Interruption)*... I cannot open one more debate ...*(Interruption)*...

SHRIMATI BRINDA KARAT (West Bengal): Sir, on the issue of price rise, the Finance Minister has given a very detailed explanation. But there are certain specific issues that I have raised when 1 had spoken which are not answered. For example, on the issue of... ...*(Interruption)*... I had asked specifically whetehr or nott it is true that ...*(Interruption)*...

MR. DEPUTY CHAIRMAN: I cannot open a new debate in the form of clarifications ...*(Interruption)*... Madam Karat, what is your clarification?

SHRIMATI BRINDA KARAT: I ahd asked whether he would reverse the latest price rise in respect of petrol and diesel because they have already increared Government revenue through the excise duty and import duty ...*(Interruptions)*... They have made an income out of it.... *(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay. Shri Anwar Ali. Only questions... .*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, he has not answered my questions ...*(Interruptions)*..

MR. DEPUTY CHAIRMAN: If he chooses to reply, he will do it. You have said whatever you wanted to say. Please sit down ...*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, he has not answered my questions ...*(Interruptions)*..

श्री अली अनवर (बिहार): उपसभापति जी, मेरा एक क्वेश्चन है। वित्त मंत्री जी बार-बार अकलियतों और गरीब लोगों का हवाला दे रहे है। हम उन्हें बताना चाहते है कि आज किसानों से ज्यादा खराब हालत बुनकरों की है, वे स्युसाइड कर रहे है। उनका एक हजार करोड़ रूपए का कर्ज है। प्रधानमंत्री ...(व्यवधान)... मेरा सदन और सदन से बाहर प्रश्न है ...(व्यवधान)...

श्री उपसभापति: आप बुनकरों के बारे बोलिए। ठीक है।

श्री अली अनवर : वित्त मंत्री जी ...(व्यवधान)...

MR. DEPUTY CHAIRMAN: Madam Karat, I gave you a chance to speak. ...*(Interruptions)*..

SHRIMATI BRINDA KARAT: Sir, he has not answered my questions.

MR. DEPUTY CHAIRMAN: Please speak one by one ...*(Interruptions)*..

श्री अली अंनवर: वित्त मंत्री जी कर्ज माफी के लिए किसानों का हवाला दे रहे है ...(व्यवधान)... कि उन्होंने साठ हजार करोड़ रूपए माफ किए है ...(व्यवधान)... बुनकरों के भी एक हजार करोड़ रूपए माफ होने चाहिए। ...(व्यवधान)...

श्री उपसभापति: हो गया।.

SHRIMATI BRINDA KARAT: Sir, Shri Chidambaram was not present when I spoke.

MR. DEPUTY CHAIRMAN: The Finance Minister will take care of all the clarifications.

SHRIMATI BRINDA KARAT: He has not answered a single one. ...*(Interruptions)*..

MR. DEPUTY CHAIRMAN: No, he can't answer. You allow others also. ...*(Interruptions)*... He will take it totally, please. ...*(Interruptions)*...

SHR1MATI BRrNDA KARAT: He is giving an academic explanation That would not satisfy the people of this country, Sir. ...*(Interruptions)*... I have asked for three concrete steps. He has not answered a single one.

SHR1 P. CHIDAMBARAM: You sit down. 1 will asnwerthen. ...*(Interruptions)*...

श्री उपसभापतिः आपका हो गया ...(व्यवधान)... रामचन्द्रैय्या जी. ...(Interruptions)...Your seek clarifications only, and say nothing else. No speeches, please ... (Interruptions)...नही आपका हो गया ... (व्यवधान)... अली अनवर जी, आपने बोल दिया, आप बैठिए ... (व्यवधान)... आप बोलिए ... (व्यवधान)... SHRI C. PERUMAL (Tamil Nadu): Sir, I want to seek one query. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, on ...*(Interruptions)*...

SHRI C. PERUMAL: Sir, want to seek a clarification, ...*(Interruptions)*...

DR. K. MALAISAMY (Tamil Nadu): Sir, I have only one small query.

MR. DEPUTY CHAIRMAN: One Member from one party. ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: He has allowed me. ...*(Interruptions)*... Sir, every economist at the global level said that we are expecting a recession in the U.S. economy. And our economy is not totally insulated. Today, you have quoted '110 dollars of crude'. That is being quoted. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: You put the question ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: Sorry, Sir.

MR. DEPUTY CHAIRMAN: You are going on narrating the entire thing. ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: I am coming to the question, Sir.

MR. DEPUTY CHAIRMAN: This is not Question Hour!

SHRI C. RAMACHANDRAIAH: This is about inflation. ...*(Interruptions)*... about inflation, you have said, you have given the textbook.... *(Interruptions)*...

MR. DEPUTY CHAIRMAN: What exactly is your point?

SHRI C. RAMACHANDRAIAH: I am coming to that, Sir. ...*(Interruptions)*...

AN HON. MEMBER: Sir, he has no question.

SHRI C. RAMACHANDRAIAH: What is this, Sir? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Ramachandraiah, put quesitons. ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: I can put very complicated question to the Finance Minister. What do you think of me? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Ramachandraiah, please put questions. ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: Sir, My point is, on one occasion, the Finance Minister has gone on record that our economy has got immunity, and decoupling the effect. ...*(Interruptions)*... what I am trying to say is that inflation is going to be a every big evil tomorrow, and your so-called growth. ...*(Interruption)*...

MR. DEPUTY CHAIRMAN: He has also expressed concern about it. ...*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, this is an academic concern!

SHRI C. RAMACHANDRAIAH: Let him express, Sir. ...*(Interruptions)*... Your growth will evolve around the inflation rate. Your buoyancy of the revenue depends on your growth rate.

MR. DEPUTY CHAIRMAN: What is the question? ...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: He has built a castle in the air.

MR. DEPUTY CHAIRMAN: Okay.

SHRI C. RAMACHANDRAIAH: That is what I am trying to say.

MR. DEPUTY CHAIRMAN: Okay. Okay. ...*(Interruptions)*... That is his question. He has built a castle in the air. Next. ...*(Interruptions)*...

DR. K. MALAISAMY: Sir, kindly allow me. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: From AIADMK, whom should I call? ...*(Interruptions)*... You take, and he takes. ...*(Interruptions)*...

DR. K. MALAISAMY: Both, Sir. Half-a-minute to both of us.

MR. DEPUTY CHAIRMAN: No, no; not like that. Mr. Perumal, you got up first. ...*(Interruptions)*... Mr. Malaisamy, he has raised his hand first. ...*(Interruptions)*...

DR. K. MALAISAMY: Through you, Sir,....

MR. DEPUTY CHAIRMAN: No, no, no. Mr. Malasisamy, please sit down. ...*(Interruptions)*...

SHRI C. PERUMAL: Through you, Sir, I request the hon. Finance Minister to consider about the tsunami-affected areas and waive the loans of the coastal fishermen who are living in Tamil Nadu, from wherever they have taken, from all types of banks or ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Okay. ...*(Interruptions)*... Mr. Malaisamy, please sit down. ...*(Interruptions)*... I can't reopen the debate. ...*(Interruptions)*...

DR. K. MALAISAMY: Sir, I have a very small question.

MR. DEPUTY CHAIRMAN: No. You have participated in the debate. You cannot again take seeking clarifications as a route to. ...*(Interruptions)*...

DR. K. MALAISAMY: Sir, I was a speaker on behalf of AIADMK. I should have been allowed.

MR. DEPUTY CHAIRMAN: No, no, no. I gave the chance; you are all aware of it. I said 'either you or he'. Mr. Arun Shourie. ...*(Interruptions)*... Mr. Arun Shourie. ...*(Interruptions)*...

DR. K. MALAISAMY: Sir, I have a very, very small question.

प्रो. राम देव भंडारी (बिहार): सर, ...(व्यवधान)...

श्री उपसभापति: आप बैठिए, मै आपका नाम बुलाता हूं ...(व्यवधान)... There should be order in the House…. (Interruptions)….आप बैठ जाइए; I have noted your name, please. i have noted your name, please.

प्रो. राम देव भंडारी: सर, आपकी दृष्टि पड़ गई, मै बैठ जाता हूं।

श्री उपसभापति: मैंने आपका नाम नोट कर लिया है, आप बैठ जाइए।

DR. K. MALAISAMY: Sir, I was listening to the reply of the hon. Finance Minister. He told us that all the suggestions given by us are well taken. ...*(Interruptions)*... I am inclined to ask a very small query. Sir, whether, in the process of loan waiver, the loan obtained from the money lenders are also covered or not.

MR. DEPUTY CHAIRMAN: He has heard the question.

SHRIARUN SHOURIE: Sir, the Finance Minister has only repeated what he said in his Budget speech. He has not answered our questions. I will only ask one small point, Sir. In view of the findings of the several Committee, in CAG and others, could the Finance Minister enlighten the House about the specific steps that the Government proposes to take, through the Budget, and otherwise, for actually ensuring, as he just now himself mentioned, that the leakages stop? You have mentioned, Sir, just now, on the PDS that this has been well documented. It has been documented for 20 years. Similarly, on each one on these flagship programmes, on the special package of the Prime Minister for 31 districts, NREGS, ICDS, Rajiv Gandhi Drinking Water Mission, as has been well acknowledged. There are enormous administrative problems. I would only request the Finance Minister to take up these things.

MR. DEPUTY CHAIRMAN: Shri Ekanath Thakur. ...*(Interruptions)*... First the main Opposition, then it comes to the main party. ...*(Interruptions)*... Mr. Agarwal, I will call you. ...*(Interruptions)*.. I called him. ...*(Interruptions)*.. Mr. Ekanath Thakur.

SHRI EKANATH K. THAKUR (Maharashtra): Sir, while 300 million people avail of the banking services from commercial banks, only 30 million people avail of the services from urban cooperative banks. Last year, when income-tax was imposed ...*(Interruptions)*....

MR. DEPUTY CHAIRMAN: That you can discuss when we take up the Finance Bill. ...*(Interruptions)*.... He has said that there is the Finance Bill. ...*(Interruptions)*.... You can speak on the Finance Bill. ...*(Interruptions)*.... No, Mr. Thakur, You can speak on the Finance Bill. Please, ...*(Interruptions)*....

SHRI EKANATH K. THAKUR: Sir, I am raising a specific question. I am not talking of income-tax. *1* am raising a question. He told me on the floor of the House and privately last year that when a small and sick cooperative bank merge with a large cooperative bank, the benefits that were available for the bigger mergers in the commercial banking sector would also be available to the cooperative mergers. ...*(Interruptions)*....

श्री उपसभापति: श्री कमाल अख्तर। आप बैठिए ...(व्यवधान)... मै आपको भी अभी बुलाता हूं ...(व्यवधान)... प्लीज, आप बैठिए ...(व्यवधान)...

SHRI EKANATH K. THAKUR: Now, I understand that unless, along with the bank, you take over the responsibility of all members, you will not get the benefit, thereby we have been deprived of all that, ...*(Interruptions)*... Mr. Kamal Akhtar.

श्री कमाल अख्तर (उत्तर प्रदेश): वित्त मंत्री जी ने अपने जवाब में बड़े विस्तृत तरीके से कहा और यही 2004 के अपने बजट के अंदर भी वित्त मंत्री जी यह लाए थे कि उर्दू टीचर्स की नियुक्ति करेंगे ...(व्यवधान)...

श्री उपसभापति: उर्दू टीचर्स की बात यहां कहां है?

श्री कमाल अख्तर: लेकिन तीन साल के अंदर एक टीचर की नियुक्ति भी नही हुई। यहां श्री अन्तुले साहब बैठे है, एक बार हमने इनसे कहा कि लगता है कि सरकार ने आपको खाली बन्दूक दी है, उसके अंदर कारतूस नही दिया। आज तक सच्चर कमेटी की रिपोर्ट टेबल ही नही हुई ...(व्यवधान)...

श्री उपसभापति: अरे भई, ले हो गई है।

श्री कमाल अख्तर: सिर्फ बजट के अंदर उसका प्रावधान है। यह उसे कब टेबल करेंगे, यह भी बता दें तो अच्छा रहेगा ...(व्यवधान)...

MR. DEPUTY CHAIRMAN: That is why I said

SHRI C. RAMACHANDRAIAH: Sir, we are not allowed to complete our questions. How can the Finance Minister give the reply? He doesn't know about my question. How can he give the reply?

MR. DEPUTY CHAIRMAN: Please, sit down ...*(Interruptions)*...

प्रो. राम देव भंडारी: माननीय वित्त मंत्री जी ने अपने बजट भाषण में कहा कि किसानों की इस ऋण माफी योजना से चार करोड़ किसानों को लाभ मिलेगा। उसमें से लघु और सीमांत किसानों के ऋण की पूरी माफी होगी और जो दूसरे किसान है जैसा मैंने समझा है अगर वे एक मुश्त पैसा जमा करने के लिए उनके पास पैसा कहां से आएगा?

श्री उपसभापति: यह सब डिटेल उन्होंने ...(व्यवधान)...

प्रो. राम देव भंडारी: सर, दूसरी बात मै कहना चाहता हूं कि मै एक किसान हूं जो ऐसे एरिया से आता हूं जो स्थायी रूप से फ्लड इफेक्टिड रहता है ...(व्यवधान)...

श्री उपसभापति: अब यह तो डिबेट हो गया।

प्रो. राम देव भंडारी: उस एरिया में अगर दस एकड़ या बीस एकड़ वाला किसान भी है ...(व्यवधान)... Just a minute, Sir, ... (Interruptions) सर, यह बहुत इम्पॉर्टेट सवाल है।

श्री उपसभापति: इमपॉर्टेट है, लेकिन आपने तो डिबेट शुरू कर दिया है ...(व्यवधान)... अब आप न्यू इश्यूज क्यों रेज कर रहे है ...(व्यवधान)...

प्रो. राम देव भंडारी: दस एकड़ या बीस एकड़ भूमि वाले जो किसान है, उन पर जो कर्जा बाकी है, उनके कर्जे का क्या होगा? उनके कर्जे की माफी कहां से होगी?

महोदय, उनका कर्जा बढ़ता चला जा रहा है ...(व्यवधान)... महोदय, यह बहुत इम्पॉर्टेट सवाल है।

श्री उपसभापति: ठीक है, ठीक है।

श्री रामदास अग्रवाल (राजस्थान): अभी माननीय वित्त मंत्री जी ने कहा इम्पॉर्टेट पॉम ऑयल, पेट्रोलियम प्रोडक्ट्स, व्हील आदि के दाम वल्ड वाइड बढ़े है। आप जो कह रहे है, वह सही है। लेकिन मै यह जानना चाहता हूं कि जो चीजें इम्पोर्ट नही हो रही है और जो आम कंजम्प्शन की चीजें है, उनके दाम कितने बढे है, क्या आपने इसका अंदाजा लगाया है?

उपसभापति महोदय, जो चीजें आम आदमी के लिए है ...(व्यवधान)... महोदय, पहले आप मेरी बात सुन लीजिए ...(व्यवधान)... मेरे पास ये फैक्ट्स है, जो बाजार से ...(व्यवधान)...

श्री उपसभापति: आप केवल सवाल पूछिए ...(व्यवधान)... आप क्लैरिफिकेशन पूछिए ...(व्यवधान)...

श्री रामदास अग्रवालः मेरे पास जो फैक्ट्स है, उनके बारे में बता रहा हूं। सर, जो चीजों इम्पोर्टेदड नही है, उन चीजों के दाम, जैसे मूंग, अरहर, चना, मसूर, तेल, सब्जी, गाजर, टमाटर, आलू ...(व्यवधान)...

श्री उपसभापतिः आपका सवाल क्या है?

श्री रामदास अग्रवालः उपसभापति महोदय, इन सबके दाम इतने बढ़ गए है, उसके बारे में यह कोई भी जवाब देने कि स्थिति में नही है ...(व्यवधान)...

श्री उपसभापति: इसका जवाब उन्होंने दे दिया है, आपने डिटेल नही सुना है ...(व्यवधान)...

श्री रामदास अग्रवालः हमने इम्पोर्टेड चीजों का मान लिया कि उनके दाम बढ़े, लेकिन जो बाकी की चीजों के दाम बाजार में बेतहाशा बढ़ते जा रहे है, क्या उनका नियंत्रण केन्द्र सरकार कर रही है ...(व्यवधान)... आम आदमी परेशान हो रहा है।

श्री उपसभापति: उसके ऊपर भी उन्होंने जवाब दिया है, आपने सुना नही होगा, लेकिन मैंने सुना है ...(व्यवधान)...

श्री शरद यादवः श्रीमान, मै ज्यादा नही पूछूंगा, मुझे केवल एक ही बात पूछनी है। मैंने स्टेट-वाइज ब्रेकअप के बारे में मैंने पूछा था कि स्टेट-वाइज ब्रेकअप क्या है? आप से ज्यादा अच्छी तरह इसे और कोई नही बता सकता है कि हर सूबे में कितना माफ होगा? अगर फाइनांस मिनिस्टर अभी नही बता सकते है, तो बाद में इसे बताने का काम करें।

SHR1V. NARAYANASAMY (Puducherry): Mr. Deputy Chairman, Sir, for the first time, a very senior Member, Shri Arun Shourie, has put a very reasonable question.

MR. DEPUTY CHAIRMAN: You seek your clarification. Don't provoke anybody.

SHRI V. NARAYANASAMY: I am grateful to the hon. Finance Minister . ..*(Interruptions)*... for allocating a large sum of money for flagship programmes. It is very essential because ...*(Interruptions)*... I am coming to the question. I have supported Shri Arun Shourie on this point. Sir, implementation is done by the State Government because the major part lies there only. So far as the States are concerned, my experience is, the money is sent by the Central Government, but there is no monitoring mechanism to check whether the money is being spent on the scheme for which the Central Government has sent, whether it is the Employment Guarantee Scheme, the Sarva Shiksha Abhiyan, the Rajiv Gandhi Grameen Vidyutikaran Yojana or the Pradhan Mantri Gram Sadak Yojana. The Finance Minister cannot shut his eyes and say, "My job is only to give the money and it is somebody else's a job to monitor." I do not want the Finance Minister to shut his eyes on that. What role is the Finance Ministry going to play to see ...*(Interruptions)*... Sir, whenever I am something, he objects to it.

MR. DEPUTY CHAIRMAN: Mr. Narayanasamy, you address the Chair.

SHRI V. NARAYANASAMY: Sir, other Ministries, whether it is the Ministry of Rural Development or the Ministry of Urban Development, they are monitoring the implementation of schemes. What is the Finance Ministry going to do in this regard?

DR. M.S. GILL (Punjab): Sir, a concern has been expressed in the House and the hon. Finance Minister has talked about PDS, foodgrains prices and procurement. All these things have been mentioned. Will the Finance Minister assure the people of Punjab and Haryana and other States that the steps, as he has described, that will be taken in the coming months ' in the interest of consumers, and all these things and inflation, will not be at the cost of the farmers of Punjab and Haryana? I don't want to go into the details. We are watching very closely that in a liberalized economy suddenly there is a 10,000 tonne limit on anybody holding grains for a full year. There are other controls also. You cannot have such a situation. Please take care of that.

SHRI JBSlJDASU SEELAM (Andhra Pradesh): Sir, we have been demanding a proportion equivalent to Plan funds for the development of the Scheduled Castes and the Scheduled Tribes. In view of that, the Finance Minister has suggested, for the last two-three years, that out of Rs. 3,500 crores, 20 per cent will go to the Scheduled Castes and the Scheduled Tribes. This is where I am seeking a clarification. In the last three years, that has not been realized. What is the mechanism to ensure that it will really be operationalised at the ground level?

SHRI P. CHIDAMBARAM Sir, I will answer Shri Aran Shourie's question first and then Shri Narayanasamy's . ..*(Interruptions)*... I entirely agree that while we layout large sums of money, the monitoring systems in place are not adequate. In fact, three years ago, I had said that outcomes were as important as outlays, and I have been urging upon the Planning Commission to put in place a system by which they can monitor monies better.

Sir, individual Ministries have taken some steps. For example, there is, now, today, a concurrent evaluation of the NREGES and there is also an external evaluation of the NREGS. It is the concurrent evaluation and the external evaluation which have brought to light the shortcomings in the manner in which the NREGS is being implemented. We have had an NCAER study on the PDS, which the Planning Commission's division also studies, and they brought into light that there are leakages in the PDS. Last year, I said, "We will put in place a mechanism." A mechanisms is now being finalized. I announced it in the Budget speech. There will now be the Central Plan Schemes Monitoring System that will track every rupee that is spent on over a thousand of schemes that we have. The first thing is, the revelation that there are thousand schemes itself is quite disturbing. We should not have a thousand of schemes. We should converge these schemes. But successive Finance Ministers have failed to convince the Ministries that we must converge these schemes. I am going to make one more determined effort. We have to converge some of these schemes. But, once we have an idea of the schemes, this system will track every rupee that is given by the Government of India to the scheme, up to the last point at which the money resides. In fact, a large amount of money is residing at various levels, at the district level or at the Panchayat level. We are also now going to encourage every Ministry to put in place the concurrent evaluation, and we are authorizing research organizations and think-tanks like the NCAER, to do external evaluation. We are going to pay for that so that they do external evaluation. I hope that the Central Plan Schemes Monitoring System, which is web-based, the concurrent evaluation and the external evaluation, plus the Right to Information Act, plus the NGO's role, plus the CAG audit, which comes after two or three years, all these together will improve the manner in which money is spent. I am going to make a determined effort to ensure that monitoring improves. Sir, on the PDS, the total foodgrain leakage, according to this study, is 36.38 per cent. It varies from State to State. It is not as though this is uniform across all States. The leakage takes place at two places—one through the ghost cards and the second through the Fair Price Shop itself. The ghost card quantity does not reach the Fair Price Shop at all. And, what reaches the Fair Price Shops is also sold to non-beneficiaries. This constitutes 36.38 per cent. It means, over one-third of the foodgrain does not reach the beneficiaries. But who is to do this? This is entirely the responsibility of the State Governments. They licence the Fair Price Shops. They select the Fair Price Shopkeepers. These shopkeepers are sometimes Government employees, or, sometimes, they are not Government employees. There is a Department which supervises it. They have the power to punish them also. Now I ask myself: What is it that the Central Government can do except giving them the foodgrain? And then, you find that 36.38 per cent is the leakage. I appeal to

the hon. Members that the questions that are being put to me,—of course, I am bound to answer them, and my colleague in the Agriculture Ministry is bound to answer them—are put before the State Governments. It must be raised in the State Legislatures. We have nothing to do with the Fair Price Shops. Therefore, this is the biggest fault of the PDS. If this grain did not leak, the grain that we supply to the PDS would be more than adequate to provide at least minimum quantity to the beneficiaries. But this leakage is quite worrying, and we must stop this leakage.

Shri Ramachandraiah asked: Am 1 building castles in the air? Are we insulated from what is happening in the world? To an extent, we are. But are we entirely decoupled? We are not. The sub-prime mortage market crisis did not directly affect us. It is because except one private sector bank, which has made a disclosure, none of our public sector banks has any exposure to the sub-prime mortgage market price. But when the crisis moved from sub-prime mortgage market to the housing market and from housing market now to the credit market, there is some impact upon India. There is an impact in terms of credit flows and financial flows. But all our assessment as well as the assessment of many impartial observers indicates that the impact upon India will be a second order impact, not the first order impact. There will be some impact. If this crisis moves from market to market, there will be an impact. But, at the moment, I believe that it is a second-order impact, a moderate impact. But the stock market today seems to be taking its cues from what is happening in the markets of the US and the markets of Asia. In fact, now we have to track what is happening in Asian markets. Hong Kong, Tokyo and Shanghai open before the Indian market opens and you will find, if you watch closely, what is happening in the Asian markets is impacting the Indian stock market. To that extent, it appears to me that the Indian stock market is taking its cues from Asian markets. To that extent, we are, in fact, impacted by what is happening in Asian markets.

Sir, Shrimati Karatji asked me whether we are going to roll back the petroleum and diesel prices. Sir, just as the answer to the question are you going to increase the petrol and diesel prices' was answered by the Minister of Petroleum, this question should also be answered by the Minister of Petroleum. I shall certainly convey her Party's strong view that petrol prices and diesel prices should not have been increased by two rupees and one rupee. The Minister of Petroleum tells me that, through the period of agony, when he agonised over the increase, he did hold consultations with all political parties, including the CPI(M). But shall certainly convey Shrimati Karat's views to the Petroleum Minister.

Sir, there was some questions about the Sachar Committee. Antulayji is here. He is certainly more competent to answer than I am, My recollection is that the Sachar Committee Report was placed before the House. An Action Taken Report has been placed before the House. We have provided more money... *(Interruptions)*...

MR. DEPUTY CHAIRMAN: The ATR has been presented, but no discussion has taken place.

SHRI P. CHIDAMBARAM: The ATR was placed. Discussion should take pIaceHLa§t^ year, we provided Rs. 500 crores to the Ministry of Minority Affairs. We have now provided Rs. 1000 crores to the Ministry of Minority Affairs. I have set out in the Budget what we are doing for the minorities. For doing what we are doing, which is inadequate, it is already being dubbed as a communal Budget. But I have resolutely rejected that argument that it is a communal Budget. We will continue to do more for the minorities.

SHRI ALI ANWAR: What about weavers' loans?

SHRI P. CHIDAMBARAM: Sir, in the Budget Speech, I have set out a cluster approach to weavers and we have provided a lot of money for developing these clusers for weavers. There is this question about weavers cooperative societies and loans to these societies. This is engaging the attention of the Ministry of Textiles. When they come up with a proposal, it wil receive my sympathetic consideration.

Sir, Mr. Thakur had raised a question. *(Interruptions)* As I understood it, he pointed out some technical difficulty in the case of merger of two banks. Sir, last year, we gave the benefit of the merger to the two banks. He is pointing out some technical difficulty and has said that the membership should remain common. I have not applied my mind to it. Now that he has raised it, let me look into it and come back here. *(Interruptions).*

MR. DEPUTY CHAIRMAN: Now, the Minister to move the Bill. *(Interruptions)* The hon. Minister to move the Appropriation Bill.

SHRI JESUDASU SEELAM: Sir, he did not mention about the SC/ST... *(Interruptions)* It is very vital. I need a clarification, Sir.

SHRI P. CHIDAMBARAM: Sir, I have already said that a large amount of money has been outlayed for programmes elating to Scheduled Castes and Scheduled Tribes; schools are being established; schoolarship are being given. We ensure that in the flagship programmes the Scheduled Caste and Scheduled Tribe beneficiaries receive a significant part or a significant component. If there are specific issues relating to any specific programme that is being administered by a Ministry or a department of the Government of India, I am sure hon. Member knows how to put a question to the Minister concerned.

SHRI JESUDASU SEELAM: I know that, Sir. *(Interruptions)*

SHRI SHARAD YADAV: What is the State-wise break-up so far as the provision for farmers loan waiver is concerned?

SHRI P. CHIDAMBARAM: I have already said that the banks have been requested to give the data to the NABARD and RBI by the 14th of March. The data, after they have examined it, will come to the Government by the 20th of March. Then we will finalise the scheme. Once we receive the data and fanalise the scheme, we will know the break-up amongst the various States. At this moment, I can only give you an overall figure of about Rs. 60,000 crores. I cannot give the break-up.

MR. DEPUTY CHAIRMAN: All right. Please move the Appropriation Bill.

GOVERNMENT BILLS
The Appropriation (vote on Account) Bill, 2008
And
The Appropriation Bill, 2008

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Sir, I move:

That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 2008-09, as passed by Lok Sabha, be taken into consideration.